

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF SUSAN ) APPEAL NO. 07-A-2223  
SOPER from the decision of the Board of ) FINAL DECISION  
Equalization of Ada County for tax year 2007. ) AND ORDER

**RESIDENTIAL PROPERTY APPEAL**

THIS MATTER came for hearing on October 16, 2007, in Boise, Idaho before Hearing Officer Travis Vanlith. Board Members Lyle R. Cobbs, Linda S. Pike and David E. Kinghorn participated in this decision. Appellant Susan Soper appeared. Chief Deputy Assessor Tim Tallman and Appraiser Diana Landers appeared for Respondent Ada County. This appeal is taken from a decision of the Ada County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. R3817020290.

**The issue on appeal is the market value of an improved residential property.**

**The decision of the Ada County Board of Equalization is affirmed.**

**FINDINGS OF FACT**

The assessed land value is \$79,800, and the improvements' valuation is \$72,800, totaling \$152,600. Appellant requests the total assessed value be reduced to \$120,000.

The subject property is a 1,088 square foot single-story residence built in 1949 located on a 0.14 acre lot in Boise, Idaho. Subject includes a 418 square foot carport. The total assessed value increased 27% in 2007.

Appellant purchased subject as a "fixer upper" in February 2005 for \$114,000. She has "spent thousands of dollars upgrading the land and house." Appellant claimed a 34% increase in subject's value is unwarranted given the condition of the neighborhood. Appellant described the neighborhood as "modest" and "less than livable and vital."

Appellant mentioned several "negative aspects" of the neighborhood. These included

“barking dogs, stray cats, graffiti, unkempt home and yard appearances, and people parking [automobiles] on the sidewalks.” Appellant mentioned other local factors that negatively affected subject’s value:

Several small nondescript businesses struggling to get by. At least 5 apartment complexes serving a low-income, transient population . . . . Four junkyards on the nearest cross street . . . . An active railroad track . . . . [A] next door neighbor [who] neglects her property.

Appellant stated the subject lot borders a large apartment complex, separated “by a tall fence” which tenants use to dry their laundry. Appellant has “found trash on [her] property near the back fence” and maintained that some tenants have trespassed onto subject at night. Appellant observed graffiti on the brick wall surrounding one of the apartment buildings.

Appellant provided ten (10) photographs of subject and the surrounding neighborhood. Two (2) photographs showed the subject residence and front yard landscaping in a well-maintained state. Five (5) photographs showed nearby homes, outbuildings, yards, and automobiles in various stages of upkeep. Two (2) photographs showed lower to middle income apartment complexes located behind subject. One (1) photograph depicted a nearby business storing used automotive parts.

Appellant attributed subject’s increased value to a speculative “real estate industry.” Appellant maintained subject “should see modest changes in valuations and taxes.” Appellant noted three (3) houses on subject’s block have been on the market since mid-2007. Appellant cited a May 2007 article from *Money* magazine stating the return on residential real estate since 1987 has been approximately 3% a year nationally. Appellant asserted 3% was a more “gradual and realistic” growth rate and requested subject’s assessed value be reduced to reflect such a rate. According to Appellant, the “seller’s market is over, supply exceeds demand, and the rising

tide in some sections of the Treasure Valley does not lift all boats.”

The County Appraiser testified county assessors are required to assess property at “full market value,” as opposed to “gradual increases.” The Appraiser provided data from three (3) residential property sales to establish subject’s assessed value. The Appraiser maintained they were the best sales available for comparison to subject. The sales occurred between May and October 2006 and were within 1.1 miles of subject. The residences were built between 1930 and 1948 and were similar to subject’s size (within 119 square feet). Respondent also provided photographs of each comparable property, which showed the properties were similar to subject in terms of age, lot size, construction quality, landscaping, and maintenance. These properties sold for \$149,900, \$155,000, and \$159,000. Sale prices ranged from \$132 to \$147 per square foot. For comparison, subject’s assessed value was \$152,600, or \$140 per square foot. See Table 1 below:

**Table 1. Respondent’s Unadjusted Comparable Sales**

| <b>Property</b>     | <b>Distance (Mi.)</b> | <b>Acres</b> | <b>Year Built</b> | <b>Above Grade Sq. Ft.</b> | <b>Bed</b>  | <b>Bath</b> | <b>Garage/ Carport Sq. Ft.</b> | <b>Closing/ Assessed Date</b> | <b>Total Amount</b> | <b>Amount Per Sq. Ft.</b> |
|---------------------|-----------------------|--------------|-------------------|----------------------------|-------------|-------------|--------------------------------|-------------------------------|---------------------|---------------------------|
| <b>Comparable 1</b> | 1.1                   | 0.21         | 1930              | 1,033                      | 2.00        | 1.00        | 399                            | May-06                        | \$149,900           | \$145                     |
| <b>Comparable 2</b> | 0.6                   | 0.19         | 1948              | 1,056                      | 3.00        | 1.00        | 364                            | Jul-06                        | \$155,000           | \$147                     |
| <b>Comparable 3</b> | 0.4                   | 0.12         | 1945              | 1,207                      | 3.00        | 1.75        | 0                              | Oct-06                        | \$159,000           | \$132                     |
| <b>SUBJECT</b>      | --                    | <b>0.14</b>  | <b>1949</b>       | <b>1,088</b>               | <b>3.00</b> | <b>1.00</b> | <b>418</b>                     | <b>Jan-07</b>                 | <b>\$152,600</b>    | <b>\$140</b>              |

The Appraiser provided adjusted sales data to account for differences between subject and the three (3) comparable properties (i.e., size, bathrooms, detached garages, and carports). The adjusted values were \$151,473, \$155,080, and \$150,765. The adjusted values were \$139 and \$143 per square foot. For comparison, subject’s assessed value was \$152,600, or \$140 per

square foot. See Table 2 below:

**Table 2. Respondent's Adjusted Comparable Sales**

| <b>Adjustment</b>                    | <b>Comparable 1</b> | <b>Comparable 2</b> | <b>Comparable 3</b> | <b>SUBJECT</b>   |
|--------------------------------------|---------------------|---------------------|---------------------|------------------|
| <b>Above Grade Sq. Ft</b>            | \$3,573             | \$2,080             | -\$7,735            | --               |
| <b>Garage/Carport</b>                | -\$2,000            | -\$2,000            | \$2,000             | --               |
| <b>Bathrooms</b>                     | \$0                 | \$0                 | -\$2,500            | --               |
| <b>Unadjusted Sale Price</b>         | \$149,900           | \$155,000           | \$159,000           | <b>\$152,600</b> |
| <b>Adjusted Sale Price</b>           | <b>\$151,473</b>    | <b>\$155,080</b>    | <b>\$150,765</b>    | <b>\$152,600</b> |
| <b>Unadjusted Sale Price/Sq. Ft.</b> | \$145               | \$147               | \$132               | <b>\$140</b>     |
| <b>Adjusted Sale Price/Sq. Ft.</b>   | <b>\$139</b>        | <b>\$143</b>        | <b>\$139</b>        | <b>\$140</b>     |

The Appraiser stated that Comparable 2 was the “best comparable” because it was most similar to subject’s size, had the least dollar amount adjustments, and was more closely located to subject. The adjusted value for Comparable 2 was \$155,080, or \$143 per square foot. Subject’s assessed value was \$152,600, or \$140 per square foot.

### **CONCLUSIONS OF LAW**

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following:

Idaho Code provides that “All property within the jurisdiction of this state, not expressly exempted, is subject to appraisal, assessment and property taxation.” I.C. § 63-203.

Idaho Code further directs that “rules promulgated by the State Tax Commission shall require each assessor to find market value for assessment purposes of all property.” I.C. § 63-208(1).

For taxation purposes, Idaho requires that property be valued at market value. I.C. § 63-201(10). The Idaho Administrative Code defines market value and accepted appraisal procedures:

**01. Market Value Definition.** Market value is the most probable amount of United States dollars or equivalent for which a property would exchange hands between a knowledgeable and willing seller, under no compulsion to sell, and an informed, capable buyer, under no compulsion to buy, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

**03. Appraisal Procedures.** Market value for assessment purposes shall be determined through procedures, methods, and techniques recommended by nationally recognized appraisal and valuation associations, institutes, and societies and according to guidelines and publications approved by the State Tax Commission.

IDAPA 35.01.03.217.01, .03, see also I.C. § 63-201(10) (emphasis added).

Respondent offered three (3) residential property sales to establish subject's assessed value and maintained these were the best sales available for comparison to subject. Appellant did not challenge Respondent's comparable sales. These properties resembled subject in terms of age, size, location, and construction quality. They sold for \$149,900, \$155,000, and \$159,000. Sale prices ranged from \$132 to \$147 per square foot. Subject's total assessed value of \$152,600 was within this unadjusted range, as was subject's price per square foot of \$140 per square foot. The Board finds these sales adequately resemble subject and were indicative of subject's market value.

Respondent's adjusted sales data supports the Board's conclusion. Respondent's adjusted values appropriately account for differences between subject and the three (3) comparable properties, primarily size of residence, number of bathrooms, and the presence of a detached garage or carport. The adjusted values were \$151,473, \$155,080, and \$150,765. The

adjusted values were \$139 and \$143 per square foot. Again, subject's total assessed value was within this adjusted range, as was subject's price per square foot.

A property valuation for taxation purposes, as determined by an assessor, is presumed correct and the taxpayer has the burden of proof to show, by a preponderance of the evidence, an entitlement to relief. *Merris v. Ada County*, 100 Idaho 59, 64, 593 P.2d 394, 399 (1979).

Factual determinations, supported by competent and substantial evidence, are not erroneous despite conflicting evidence. *Wulff v. Sun Valley Co.*, 127 Idaho 71, 73-74, 896 P.2d 979, 981-82 (1995). Although differences between the subject and sale properties exist, a comparison of 2006 sale prices to subject's assessed value demonstrates Respondent's assessment of subject was reasonable.

The court will grant relief where the valuation fixed by the assessor is manifestly excessive, fraudulent or oppressive; or arbitrary, capricious and erroneous resulting in discrimination against the taxpayer. *Roeder Holdings, L.L.C. v. Bd. of Equalization of Ada County*, 136 Idaho 809, 41 P.3d 237 (2001); *Merris*. Appellant claimed subject's assessment was inaccurate, but failed to demonstrate specific errors. Comparable sales provided by Respondent reasonably support subject's assessed value. Therefore, we find the assessment was not arbitrary and Appellant has not demonstrated error by a preponderance of the evidence. The decision of the Ada County Board of Equalization will be affirmed.

**FINAL ORDER**

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Ada County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

MAILED January 9, 2008